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SUBJECT: RUSSIAN EXPERTS DISCUSS CENTRAL ASIA AND THE CIS
WITH U.S. AMBASSADOR TO KAZAKHSTAN HOAGLAND

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11. (U) This message is sensitive but unclassified and is not intended for internet distribution.

12. (SBU) Summary. In conversations with U.S. Ambassador to Kazakhstan Richard Hoagland March 23-24, Russian experts on the CIS listed maintaining dominance in the region, protecting Russia's economic interests, and preventing the spillover effects of instability as the main forces driving Russian policy in the post-Soviet space. They had divided views on prospects for cooperation between the United States and Russia in the CIS region, with some seeing the United States challenging Russian interests in every sphere while others point to Afghanistan and counter-narcotics as obvious areas of coinciding interests. In the experts' view, China's slow but determined expansion of influence in the Central Asian economies and its increasing control of the Shanghai Cooperation Organization (SCO) added to the complexity of Russian policy in Central Asia. While many in the region tended to differentiate Kazakhstan from the rest of Central Asia, all five countries shared common challenges such as water resource usage and regime survival. End summary.

13. (U) U.S. Ambassador to Kazakhstan Richard Hoagland, in Moscow March 23-24 for consultations, met with a number of Russian experts to discuss Russian foreign policy in the CIS region. These experts included Director of the Carnegie Moscow Center Dmitriy Trenin, the CIS Institute's Head of Central Asia and Kazakhstan Section Andrey Grozin, Director of the World Security Institute Ivan Safranchuk, head of the Heritage Foundation's Moscow office Yevgeniy Volk, and Carnegie Moscow Center analyst Aleksey Malashenko.

Russian Priorities in the CIS

14. (SBU) The Carnegie Moscow Center's Dmitriy Trenin divided Russian interests in the CIS into three tiers of priorities. At the top, Moscow did not want the CIS countries to form alliances with third countries, whether it was the United States and NATO today, or China tomorrow. At the second tier, Moscow would like to ensure that no CIS country deployed troops to third countries without its consent or discriminated against Russian economic interests. At the

third tier, Russia would like to continue its cultural influence in the CIS. If a CIS country ran counter to the first tier of Russian interests, war might result, while conflicts in the second-tier areas could lead to the cooling of relations. In Trenin's view, Moscow wanted to maintain its status as the ultimate insider in the region and to wield veto rights on the top-tier issues.

15. (SBU) Andrey Grozin of the CIS Institute added that Russian policy in the CIS was driven by the need to preserve stability, often achieved through support for existing regimes, and the desire to maintain Russian dominance in specific sectors of the economy. In this regard, Moscow's self-declared special and privileged relations with the CIS countries were pragmatically focused on economic interests. More specifically, the GOR would like to control transport, hydrocarbon and metallurgical resources in the region, and to develop Central Asia's dependence on Russia as the main transit corridor for its raw material exports.

16. (SBU) Looking at Central Asia specifically, Ivan Safranchuk pointed out that Russia had no choice but to maintain a forward policy in the region, since it had no constructed land border with Kazakhstan to keep out the spillover effects of instability, radical ideology and "other diseases" down south. To construct such a border would cost more than \$18 billion, including staffing costs for customs and immigration officials. However, both Grozin and Safranchuk believed that the GOR lacked a coherent, conceptualized approach to dealing with the specific challenges in Central Asia. This problem was compounded by the reality that the five countries in the region share more differences than similarities these days, and they treat the

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tools of regional integration, such as the Eurasian Economic Community (EurAsEc) and the Collective Security Treaty Organization (CSTO), more as protocol opportunities than channels for resolving problems.

Cooperation and Competition with the U.S.

17. (SBU) The experts had divided views on whether the United States and Russia could develop a truly cooperative relationship in the CIS sphere. Yevgeniy Volk of the Heritage Foundation commented that at each of the three tiers of interests articulated by Dmitriy Trenin, Russia was being challenged by the United States through NATO expansion, competition for energy resources, and increasing American cultural influence. In his view, it seemed inevitable that the core of Russia's CIS policy would be to contain the United States. He warned both sides against expecting too much from a "reset" in the bilateral relationship: Russia thinks about the United States much more than vice versa, because it is important for Moscow to be acknowledged as a superpower again. With such a mindset, disappointment was bound to happen.

18. (SBU) Ivan Safranchuk agreed, noting that looking at U.S. policy in Central Asia through the eyes of those suspicious of Washington's motives, it would appear that the United States was encouraging the Central Asian countries' political and economic independence from Russia. U.S. efforts to diversify the Central Asian economies and their oil and gas export routes would not directly benefit the U.S. economy -- Europe would be the greater beneficiary. To some in the Russian leadership, this was proof enough that the real intent of U.S. policy was to counter Russian influences and take Central Asia away from Moscow.

19. (SBU) Andrey Grozin, on the other hand, believed that there was wide room for Russia to cooperate with the United States in maintaining stability in Central Asia. Afghanistan, drug trafficking, and countering extremism were the obvious areas where our interests coincided, especially

because Russia would be expected to clean up any major problems in the region, including the spillover effects from Afghanistan. The United States, he asserted, also wanted a stable Central Asia, if for no other reason than to protect the economic interests of the American companies there.

Cooperation and Competition with China

¶10. (SBU) The experts pointed out that no discussion about Russian policies in Central Asia should ignore China's role. Andrey Grozin, in discussing the GOR's desire to maintain special and privileged relations with the former Soviet republics, stated that such a policy was also meant to check China's slow but determined expansion of its interests in the raw materials sector in Central Asia. While supportive of maintaining good relations with China, Grozin at the same time believed Russia should keep its distance. Otherwise, he argued, China, being the larger, stronger, and more unified country, would make Russia the junior partner in any attempt to form an alliance.

¶11. (SBU) The Carnegie Moscow Center's Aleksey Malashenko supported Grozin's view, stating that increasingly, the SCO was becoming a China-controlled organization and was looking at effective ways to address emergency situations. In contrast, the CSTO, designed to maintain Russian political and military influence over the CIS countries, appeared anemic under Russian leadership, and it would be difficult to envision the CSTO playing a key role in a serious crisis. To Malashenko, this was a sign that Russian influence in the post-Soviet space was waning.

Central Asia and Kazakhstan

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¶12. (SBU) The experts agreed with Ambassador Hoagland's observation that many in the region tended to divide Central Asia into two parts, Kazakhstan and the rest. Grozin stated that most Russians considered Kazakhstan the leader of the five countries, more developed and sophisticated, with more serious economic potential. Malashenko asserted that whenever one went to Central Asia, one could feel an immediate difference between Astana and Almaty on the one hand, and Tashkent and Bishkek on the other.

¶13. (SBU) Nevertheless, the region shared some similar problems, among them the division of water resources and complicated internal political struggles. In Grozin's view, water has emerged as a serious regional issue in the last five years. While ideas such as an international consortium to manage water resources sounded good on paper, the Central Asian leaders were too locked into a mentality of competition with each other to make it a reality. On the political front, regime survival was a central issue in each of the five countries, with leaders capitalizing on their populations' fear of instability and arguing for the consolidation of power as a way to weather the current financial crisis. In countries such as Kyrgyzstan and Kazakhstan, the opposition is too split and "has no flesh" to their movement. Speaking about the reported \$300 million loan from Russia that would form part of the \$2.3 billion assistance package for Bishkek, Grozin assessed that most of it would be spent on food and other social programs designed to address the Kyrgyz population's discontent so as to stabilize the regime in advance of the presidential elections and to ensure a Bakiyev victory.

¶14. (U) Ambassador Hoagland has cleared this cable.
BEYRLE